

JOINT VENTURE AGREEMENT

Between

CENTURION MINERALS LTD.

And

DEMETRA MINERALS INC.

And

DEMETRA FERTILIZANTES S.A.

**ANA SOFIA PROPERTY MINING LEASE
SANTIAGO DEL ESTERO PROVINCE
ARGENTINA**

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THIS JOINT VENTURE AGREEMENT

dated for reference this 28th day of January, 2016.

BETWEEN:

CENTURION MINERALS LTD., a company duly incorporated under the laws of the Province of British Columbia and having an office at Suite 322, 470 Granville Street, Vancouver, British Columbia, V6C 1V5, Canada.
 (“**Centurion**”)

AND:

DEMETRA MINERALS INC., a company duly incorporated under the laws of the Province of British Columbia and having an office at Suite 808 – 510 West Hastings Street, Vancouver, British Columbia, V6B 1L8, Canada.
 (“**Demetra**”)

AND:

DEMETRA FERTILIZANTES S.A., a company duly incorporated under the laws of Argentina and having an office at Gral. Guemes 677 (1838) Vicentae Lopez, Buenos Aires, Argentina.
 (“**Demetra SA**”)

WHEREAS:

- A. Demetra SA, in which Demetra has 100% beneficial interest, is the holder of a 100% interest in the Property (as defined herein) located in the Province of Santiago del Estero, which is more particularly described in the attached *Schedule A*;
- B. Demetra SA has been issued the necessary mining licenses and permits to allow it to explore, and exploit, process and remove the calcium sulphate dihydrate from the Property;
- C. Demetra and Centurion wish to form a Joint Venture to complete the exploration, development and commercialization of the Property and, if appropriate, develop the facilities and infrastructure necessary to exploit the minerals situate on the properties for commercial sale.

NOW, THEREFORE, THIS AGREEMENT WITNESSES that, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto mutually agree as follows:

1. INTERPRETATION

1.1 DEFINITIONS

In this Agreement the following words, phrases and expressions shall have the following meanings:

“**Accounting Procedure**” means the accounting procedure prescribed from time to time by the Management Committee.

“**Affiliate**” means any entity which controls, is controlled by, or under common control of either of the Joint Venture Partners. For purposes of this clause, “control” shall mean the direct or indirect ownership of more than 50% of the stock or participating shares entitled to vote in the general meeting of shareholders.

“Area of Interest” means Minerals and Mineral Products located in South America and all of the countries situate therein.

“Assets” means the Property and the mining concessions, licenses and permits associated with and necessary to explore and exploit the minerals on the Property and any and all assets acquired or held by the Joint Venture, or the Joint Venture Partners, with respect to the Property or pursuant to this Agreement, as the same may exist from time to time, including, without limiting the generality of the foregoing, licenses, permits, rights, all exploration data, reports and analysis, all tangible and intangible goods, chattels, land, buildings, and equipment and improvements, other tenements, facilities, mineral products and all supplies and equipment related to operations hereunder.

“Associated Company” means an entity with which a Party has a special relationship, including but not limited to an Affiliate, associate, common control, common management or directors, close family members, a joint venture partner or common significant shareholders (over 10% holders).

“Budget(s)” means a budget developed by the Operator identifying and setting out Program Costs including but not limited to the Maintenance Budget and such other costs and expenses associated with a particular Program being proposed by the Operator for acceptance by the Management Committee.

“Commercial Production” means the sale of Mineral Products by the Joint Venture, commercial production shall be deemed to have commenced;

- i) if a plant is located on the Property, on the first day following the first period of 45 consecutive days during which Mineral Products have been produced from the Property at an average rate not less than 80% of the initial design rated capacity of such plant, or
- ii) if no plant is located on the Property, on the first day of the month following the first period during which 4,000 tonnes of Mineral Products have been produced, per month for three consecutive months by the Joint Venture and sold to a nonrelated party on a reasonably regular basis for the purpose of earning revenue.

“Effective Date” means the date that Centurion receives TSX Venture Exchange approval to this Joint Venture Agreement.

“Founders” means the initial shareholders of Demetra listed in *Schedule D*.

“Interest” means a Joint Venture Partner’s undivided beneficial percentage interest in the Joint Venture and its Assets initially calculated pursuant to section 4.2 and thereafter subject to the terms and conditions of this Agreement.

“Joint Venture” means the joint venture established by Demetra and Centurion pursuant to the terms and conditions of this Agreement to exploit the Mineral Products on the Property and elsewhere as agreed to by the Joint Venture Partners.

“Joint Venture Partner(s)” means Demetra or Centurion or each of them collectively as the context requires.

“Maintenance Budget” means the minimum budget required to maintain the Assets in good standing with respect to the laws and regulations of Argentina and the provincial and local regulatory authorities in which the Assets are located.

“Management Committee” means the committee nominated by the Joint Venture Partners to manage the Joint Venture as more particularly described in Sections 14 and 15 of this Agreement.

“Mining License” means the mining permit or other documentation authorizing the exploration, exploitation, mining, production of Mineral Products, or other land usage issued pursuant to Argentine Federal and Provincial Laws, with respect to the Property, a copy of which is attached as *Schedule A*.

“Minerals or Mineral Products” means any and all calcium sulphate dihydrate and such other minerals or material having an industrial or agricultural use, which may lawfully be explored for, mined or extracted and sold.

“Net Revenue Royalty” means the royalty which may be payable to a former Joint Venture Partner calculated and paid in accordance with the attached *Schedule C*.

“Operator” means Demetra or such other party as may be appointed pursuant to the terms of this Agreement.

“Party” or “Parties” means Demetra, Demetra SA or Centurion individually or collectively as the context requires and their respective successors and permitted assigns, which become parties pursuant to this Agreement.

“Program(s)” means as the context requires any program and the associated Budget to carry out work and incur Program Costs related to the continued development of the Property and to achieve Commercial Production of Minerals from the Property, including but not limited to investigating, prospecting, exploring, developing, property maintenance, preparing reports, estimates and studies, designing, equipping, improving, surveying, reclamation, development and construction of the facilities and infrastructure necessary to exploit the Minerals for commercial sale in the most efficient and expeditious manner possible.

“Program Costs” means, without duplication, all costs, expenses, obligations, liabilities, and charges whatsoever, direct or indirect, with respect to a Program, and identified in the budgets or recorded by the Operator and shall include but not be limited to and without limiting the generality of the foregoing, those items, and categories of costs set out in the attached *Schedule B*.

“Participation Date” means the day that is 30 days after the earlier of the date at which Commercial Production has been achieved or Centurion has funded \$6 million in Program Costs.

“Program Overruns” means all Program Costs, which exceed those estimated under a Program.

“Property” means an undivided 100% right, title and interest in and to the exploration concessions, exploitation permits, mining licenses and claims issued with respect to the property known as the Ana Sofia Property, all as more particularly described in *Schedule A*, and shall include any renewals or extensions of the said concessions, mining licenses and claims and any other form of successor or substitute title thereof, and shall include any other Assets, including mineral properties, claims or interests, acquired by the Joint Venture that become subject to this Agreement, and those rights and benefits appurtenant to the Property that are acquired for the purpose of exploring and exploiting the Property.

“Proportionate Share” means each Joint Venture Partner’s portion of any Program Costs incurred by the Operator after the Participation Date, which is equal to the said party’s Interest in the Joint Venture.

“**Small Scale Production**” means the sale of Mineral Products by the Joint Venture, small scale production shall be deemed to have commenced when 600 tonnes of Mineral Products have been produced per month for three consecutive months by the Joint Venture and sold to a non-related party on a reasonably regular basis for the purpose of earning revenue.

1.2 INCLUDED WORDS

This Agreement shall be read with such changes in gender or number, as the context shall require.

1.3 HEADINGS

The headings to the articles, paragraphs, parts or clauses of this Agreement and the table of contents are inserted for convenience only and shall not affect the construction hereof.

1.4 REFERENCES

Unless otherwise stated, a reference herein to a numbered or lettered article, section, paragraph, clause or schedule refers to the article, section, paragraph, clause or schedule bearing that number or letter in this Agreement. A reference to "this" article, section, paragraph, clause or schedule means the article, paragraph, clause or schedule in which the reference appears. A reference to “Agreement”, "this Agreement", "hereof", "hereunder", "herein" or words of similar meaning, means this Agreement including the schedules hereto, together with any amendments thereof.

1.5 CURRENCY

All dollar amounts expressed herein refer to lawful currency of the United States of America.

1.6 INTEREST CALCULATION

Wherever interest is chargeable under this Agreement, unless otherwise specifically provided, interest will be at the specified per annum rate, calculated daily and compounded semi-annually. For the purposes hereof, the Prime Rate, quoted by the Bank of Canada, in effect for each day of the month shall be equal to the Prime Rate declared at noon on each business day during the month. For greater certainty, the daily interest rate chargeable will be the specified per annum rate divided by the number of days in that calendar year.

1.7 SCHEDULES

The following schedules are incorporated into this Agreement by reference:

<i>Schedule A</i>	Description of the Ana Sofia Property
<i>Schedule B</i>	Program Costs and Provisions
<i>Schedule C</i>	Net Revenue Royalty
<i>Schedule D</i>	Founders' Preference Shares
<i>Schedule E</i>	Demetra's Subsidiaries
<i>Schedule F</i>	Amalgamation Notice

1.8 INTERNAL REFERENCE

The words “**section**”, “**herein**” and “**hereunder**” refer to this Agreement. The words “**this Agreement**” includes every Schedule attached hereto.

1.9 CAPTIONS

The captions and the emphases of the defined terms have been inserted for convenience and do not define the scope of any provision.

1.10 RECITALS

The preamble set-out in the opening of this Agreement is incorporated herein and is contractual and not merely for the purposes of recital.

2. CONSIDERATION ON CLOSING & PAYMENT OF PROGRAM COSTS

2.1 Centurion shall, within 5 business days of the Effective Date, issue to Demetra common shares equal to 9.99% of the issued and outstanding shares of Centurion on the Effective Date up to a maximum of 2,000,000 common shares (the “**Centurion JV Shares**”).

2.2 Centurion shall be responsible for the payment of all Program Costs associated directly and indirectly with bringing the Joint Venture to Commercial Production to a maximum of \$6 million. Thereafter all further Program Costs shall be borne by the Joint Venture Partners in proportion to their respective Interest in the Joint Venture.

2.3 In the event that Centurion and Demetra fail to complete the Amalgamation pursuant to the provisions of section 6, Centurion shall be entitled to reimbursement of 50% of all of the Program Costs advanced by it on behalf of the Joint Venture (“**Program Cost Reimbursement**”) to be paid out of profits pursuant to the provisions of section 16, provided that Centurion shall be entitled to 80% of profits until it has received the Program Cost Reimbursement in full.

3. FORMATION OF THE JOINT VENTURE

3.1 The Joint Venture Partners hereby agree to associate and participate in a Joint Venture for the purpose of carrying out all such acts which are necessary or appropriate, directly or indirectly to:

- (a) complete the exploration, development and commercialisation of the Property and develop and implement a plan to exploit the Minerals situate on or in the Property including but not limited to developing, if appropriate, the facilities and infrastructure necessary to exploit the calcium sulphate di-hydrate found on the Property, or otherwise acquired by the Parties and delivered to the Property, for processing and commercial sale in the most efficient and expeditious manner possible;
- (b) acquiring Minerals and Mineral Products located in the Area of Interest and developing facilities to process the Minerals and Mineral Products for commercial sale; and
- (c) engage in such other activity as may be considered by the Joint Venture Partners to be necessary or desirable in connection with the foregoing.

3.2 All transactions, contracts, employments, purchases, operations, negotiations with third parties and any other matter or act undertaken on behalf of the Parties in connection with the Property shall be done, transacted, undertaken or performed in the name of the Operator, and no Party (other than the Operator acting in that capacity) shall do, transact, perform or undertake anything in the name of the other Party.

3.3 The rights and obligations of the Parties shall be, in each case, several, and shall not be, or construed to be, either joint or joint and several. Nothing contained in this Agreement shall, except to the extent specifically authorized hereunder, be deemed to constitute any Party, a partner, an agent or legal representative of any other party. Subject to the terms and conditions of this Agreement each of the Parties may deal with their Interest as they choose, it is intended that this Agreement shall not create the relationship of a partnership between the Parties and that no act done by any Party pursuant to the provisions hereof shall operate to create such a relationship.

3.4 Title to the Property and any Mining Concessions, Licenses and Permits associated therewith shall be held in the name of Demetra SA or, at the option of Centurion, by a Trustee appointed by Centurion for that purpose, in trust for the Parties, in proportion to their respective Interests as adjusted from time to time. Each of the Parties shall have the right to receive, from Demetra SA, forthwith upon making a demand in writing, such documents as it may reasonably require to confirm its Interest.

3.5 Subject to the requirement of Argentinian Law, legal title to any of the Assets acquired by the Operator pursuant to the terms of this Agreement shall be held in trust for the Joint Venture Partners by the Operator or Demetra SA pursuant to the terms of this Agreement. Nothing herein contained shall prevent a Party hereto from registering notice of this Agreement and its Interest against the title to the Property or any other Assets.

3.6 This Agreement, or a memorandum of this Agreement, shall, upon the written request of any Joint Venture Partner, be recorded in the office of any governmental agency so requested, in order to give notice to third parties of the respective interests of the Joint Venture Partners in the Property and this Agreement. Each Joint Venture Partner hereby covenants and agrees with the requesting Joint Venture Partner to execute such documents as may be necessary to perfect such recording.

3.7 Each Joint Venture Partner shall devote such time as may be required to fulfill any obligation assumed by it hereunder provided however that each Joint Venture Partner shall be at liberty to engage in any other business or activity outside the Joint Venture and the Area Of Interest defined herein, including the ownership and operation of any other mining permits, licenses, claims, processing operations and leases.

4. **INTEREST**

4.1 Except as otherwise provided in this Agreement, the Parties shall bear all costs and all liabilities arising under this Agreement pursuant to the terms hereof and shall own the Property and the Assets in proportion to their respective Interest.

4.2 On the Effective Date, the respective Interest of the Parties in the Joint Venture shall be as follows:

Centurion	50%
Demetra	50%

5. **AREA OF INFLUENCE, BUSINESS OPORTUNITY**

5.1 Each of the Joint Venture Partners hereby covenants and agrees with the other that if a Joint Venture Partner, or any Affiliate (an “**Offeror**”) acquires, directly or indirectly or pursuant to any third party agreement, any form of interest in Minerals or Mineral Products (a “**Mineral Interest**”) located wholly or in part within the Area of Interest, the Offeror will promptly offer such Mineral Interest to the other Joint Venture Partner (the “**Offeree**”) by notice in writing to the Offeree setting out;

- (a) the nature of such Mineral Interest and including all information known by the Offeror

about such Mineral Interest,

- (b) the Offeror's acquisition costs and all other details relating thereto.

If, within 60 days from the date of the receipt of such notice, the Offeree accepts such Mineral Interest by notice in writing to the Offeror and pays to the Offeror a portion of the Offeror's acquisition costs as set out in such notice equal to the Offeree's Interest in the Joint Venture as of the date of this Agreement, such Mineral Interest will become part of the Joint Venture and be governed by and pursuant to the terms and conditions of this Agreement. Any acquisition costs so paid will, unless otherwise agreed by the Joint Venture Partners, be paid out of funds of the Joint Venture available for distribution to the Joint Venture Partners.

5.2 Each Joint Venture Partner hereby covenants and agrees with the other to use its best efforts to;

- (a) With respect to any acquisition agreement under which it acquires any Mineral Interest within the Area of Interest to acquire a 100% undivided interest in such Minerals subject only to royalty interests in favour of the property vendor.
- (b) With respect to any financial provisions contemplating the use of one processing facility for Mineral Products derived from the various properties in the Area of Interest to obtain unencumbered rights to assign an interest in any such agreement and the mineral rights related thereto to the Joint Venture pursuant to the provisions of this Agreement.

6. AMALGAMATION

6.1 It is the intention of the Joint Venture Partners to consolidate their respective Interests by way of an amalgamation of Centurion and Demetra by way of a plan of arrangement or otherwise (the "**Amalgamation**").

6.2 Each of the Joint Venture Partners acknowledge and agree that on receipt of a written notice of Amalgamation in the form set out in *Schedule F* ("**Amalgamation Notice**") that they will both take such actions, prepare and execute such documentation, pass such corporate resolutions and obtain such regulatory and other approvals as may be required or advisable to effect an Amalgamation such that on completion of the transaction Demetra shall be a wholly-owned subsidiary of Centurion.

6.3 Upon receipt of an Amalgamation Notice, the Joint Venture Partners acknowledge and agree that they will each undertake best efforts to enter into a definitive agreement to effect the Amalgamation, which Amalgamation will include the following material terms:

- (a) Centurion shall issue to the Demetra shareholders in consideration for Demetra's 50% Interest, 23,319,744 common shares of Centurion, plus any preference shares that have converted in to Common shares pursuant to section 6.3(b) (the "**Centurion Purchase Shares**") provided that if Demetra has issued shares after the Effective Date pursuant to an agreement in writing with Centurion then in such event the amount of Centurion Purchase Shares shall be increased pursuant to the terms and conditions of the said agreement.
- (b) Founders will exchange any preference shares they hold in Demetra for preference shares in Centurion for up to 10,450,000 Centurion preferred shares subject to the terms and conditions as set out in *Schedule D*.

- (c) Demetra's only assets will be its Interest in the Joint Venture, and its legal ownership of the shares of its subsidiaries listed in *Schedule E*.
- (d) Demetra will have total liabilities of no more than \$50,000 whether associated with the Joint Venture or otherwise unless agreed to in writing by Centurion.
- (e) the parties shall have received legal and tax opinions confirming the legality of the amalgamation under the laws of Canada, Argentina and all other jurisdictions where the parties are operating, and that there are no material adverse tax consequences for either party.
- (f) each of the parties shall have received their respective shareholders approval to the Amalgamation.
- (g) such other terms and conditions as are customarily set-out in an commercial agreement of similar nature and kind.

6.4 Centurion or Demetra can deliver an Amalgamation Notice to the other on the occurrence of the following events:

- (a) *Centurion - Call Option*: No less than 30 days after the Joint Venture achieves Commercial Production, or Centurion has expended no less that USD \$4 million, Centurion shall have the option and right, but not the obligation, to deliver an Amalgamation Notice to Demetra; or
- (b) *Demetra - Put Option*: No less than 30 days after the Joint Venture achieves Small Scale Production, Demetra shall have the option and right, but not the obligation, to deliver an Amalgamation Notice to Centurion.

6.5 The Parties shall use their best efforts to obtain shareholder approval of the Amalgamation within 6 months of receipt of an Amalgamation Notice provided that should Centurion's shareholders fail to pass a resolution approving the Amalgamation within 9 months of receipt of an Amalgamation Notice from Demetra, then in such event Demetra shall have the option to deliver a notice to Centurion, and upon receipt of such notice, the Area of Interest will be restricted to the Province of Santiago del Estero and any properties or facilities operated by the Joint Venture on the date of receipt of the notice by Centurion outside of the Province of Santiago del Estero.

7. **REPRESENTATIONS AND WARRANTIES**

7.1 Unless otherwise provided by notice in writing, each Party represents and warrants to the other that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where required under the laws of that jurisdiction;
- (c) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (d) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby

contemplated conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party; and

- (e) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents.

7.2 Unless otherwise provided by notice in writing to Centurion, Demetra and Demetra SA both jointly and severally represent and warrant to Centurion that:

- (a) Demetra's subsidiaries are as set out in the attached Schedule E and Demetra holds, directly or indirectly, 100% of the issued and outstanding shares of each of the subsidiaries and the subsidiaries have no outstanding options, warrants or other obligation to issue any shares or securities from its treasury or to issue any security over their assets.
- (b) Without the prior written consent of Centurion, Demetra shall not dispose of its shares in Demetra Holdings Inc., Demetra International Inc. or Demetra SA; or issue additional securities in Demetra Holdings Inc., Demetra International Inc. or Demetra SA to any third party; or otherwise restructure its subsidiaries.
- (c) Demetra SA, Demetra Holdings Inc. and Demetra International Inc. have no outstanding debt of any nature and kind.
- (d) Demetra SA holds a 100% beneficial interest in the Property.
- (e) the Mining License and other interests comprising and associated with the Property are (i) accurately described in **Schedule A**, (ii) are presently in good standing under the laws of Argentina and the jurisdiction in which they are located and (iii) are free and clear of all liens, charges and encumbrances;
- (f) Demetra has the exclusive right to enter into this Agreement and to deal with and transfer of an Interest in the Property in accordance with the terms of this Agreement and subject to the provisions of Federal and Provincial Argentine law;
- (g) Demetra SA is the sole recorded and beneficial owner of the Property and the Mining License;
- (h) the Mining License covering the Property attached as **Schedule B** has been properly and legally registered with the Ministry of Mines in Santiago del Estero;
- (i) there is no adverse claim or challenge against or to the ownership of or title to the Mining License issued with respect to the Property or any other interests comprising the Property, nor to the knowledge of Demetra, after reasonable investigation, is there any basis therefore or interest therein, and there are no outstanding agreements or options to lease, acquire, or purchase the Property or any portion thereof, and no other person has any royalty or other interest whatsoever in the Property or in production there from other than a royalty payable to the Province of Santiago del Estero for the extraction of mineralized product;
- (j) all corporate authorizations have been obtained by Demetra for the execution of this Agreement and for the performance of its obligations hereunder;

- (k) no proceedings are pending and Demetra is unaware of any basis for the institution of any proceedings leading to the dissolution or winding-up of Demetra or placing Demetra into bankruptcy or subject to any other laws governing the affairs of insolvent persons;
- (l) the Property and its existing and prior uses comply and have at all times complied with, and Demetra is not in violation of, and has not violated, in connection with the ownership, use, maintenance or operation of the Property, any applicable state, municipal or local laws, regulations, orders or approvals relating to its operations on the Property and environmental or similar matters;
- (m) there are no orders or directions relating to environmental or similar matters requiring any work, repairs, construction or capital costs with respect to the Property and the conduct of the business related thereto, nor has Demetra received any notice of such;
- (n) to the best of Demetra's knowledge:
 - (i) no notices of any violation or apparent violation of any of the matters referred to in subparagraph (h) and is relating to the Property or its use have been received by Demetra; and
 - (ii) there are no writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings or investigations pending or threatened, relating to the use, maintenance or operation of the Property, whether related to environmental or similar matters, or otherwise, nor, to the knowledge of Demetra, is there any basis for such law suits, claims, proceedings or investigations being instituted or filed; and
 - (iii) Demetra holds such valid and subsisting licenses, certificates, authorizations as may be required under the mining laws of Argentina and the Province of Santiago del Estero and the jurisdiction in which the Property is located to allow for the proper and legal exploration and development of the Property.

7.3 Unless otherwise provided by notice in writing to Demetra, Centurion represents and warrants to Demetra that:

- (a) the authorized capital of Centurion consists of an unlimited number of Common Shares, of which, as of the close of business on January 12, 2016, 18,054,052 Common Shares were outstanding as fully paid and non-assessable shares of Centurion;
- (b) upon their issuance the Centurion JV Shares will be duly and validly issued as fully paid and non-assessable;
- (c) the Common Shares of Centurion are listed for trading on the TSX Venture Exchange and Centurion is in compliance with the rules and regulations of such body;
- (d) except as qualified by the disclosure in all prospectuses, financial statements, information circulars, annual information forms, press releases and material change reports (the “**Disclosure Record**”) filed with any of the Commissions, Centurion is the beneficial owner of the properties, business and assets or the interests in the properties, business or assets referred to in the Disclosure Record, all agreements by which Centurion holds an interest in a property, business or assets are in good standing according to their terms and

the properties in which Centurion holds an interest are in good standing under the applicable laws of the jurisdictions in which they are situated;

- (e) the financial statements of Centurion contained in the Disclosure Record, filed with any of the Commissions have all been prepared in accordance with Canadian generally accepted accounting principles, accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Centurion as of the date thereof, and no adverse material changes in the financial position of Centurion have taken place since the date thereof;
- (f) Centurion has complied and will comply fully in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Securities Laws and the *Business Corporations Act* (British Columbia), in relation to the issue and trading of its securities and in all matters relating to the issuance of the Centurion JV Shares;
- (g) there is not presently, and will not be until the Effective Date, any material change, as defined in the Securities Laws, relating to Centurion or change in any material fact, as defined in the Securities Laws, relating to any of the Securities which has not been or will not be fully disclosed in accordance with the requirements of the Securities Laws and the policies of the TSX Venture Exchange;
- (h) the issue and sale of the Centurion JV Shares by Centurion does not and will not conflict with, and does not and will not result in a breach of, any of the terms of Centurion's constating documents or any agreement or instrument to which Centurion is a party or by which it is bound;
- (i) the Centurion JV Shares are subject to the terms, conditions and provisions of this Agreement (including the schedules and appendices hereto), and the constating documents of Centurion;
- (j) neither Centurion nor its subsidiaries, if any, is a party to any actions, suits or proceedings which could materially affect its respective business or financial condition;
- (k) there are no judgments against Centurion or its subsidiaries, if any, which are unsatisfied, nor is Centurion or its subsidiaries, if any, subject to any consent decrees or injunctions;
- (l) this Agreement has been or will be by the Effective Date, duly authorized by all necessary corporate action on the part of Centurion, and Centurion has or will have by the Effective Date full corporate power and authority to undertake the Joint Venture;
- (m) no order ceasing or suspending trading in securities of Centurion nor prohibiting the sale of such securities has been issued to and is outstanding against Centurion or its directors, officers or promoters or against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened;
- (n) except as provided in the Disclosure Record, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of Centurion or its subsidiaries, if any, or any other security convertible into or

exchangeable for any such shares, or to require Centurion or its subsidiaries to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital; and

- (o) Centurion has filed all federal, provincial, local and foreign tax returns which are required to be filed, or have requested extensions thereof, and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith.

7.4 The representations, warranties, covenants, agreements and conditions hereinbefore set out are conditions on which the parties have relied in entering into this Agreement and shall survive the formation of the Joint Venture and the acquisition of an interest in the Property hereunder and each party will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement (including, without limitation, lawyers fees and disbursements).

8. **OPERATOR**

8.1 The Management Committee shall have the right pursuant to this Agreement to appoint the Operator provided that Demetra will act as the initial Operator for a period of two years commencing immediately after the Effective Date. After the initial two year period, the right to change or appoint the Operator shall be under the Management Committee's general direction and control. The party acting as Operator may resign as Operator at any time by giving 120 days' prior written notice to the other Joint Venture Partner and within such 120 day period the Management Committee shall appoint the other Joint Venture Partner to act as the Operator upon the terms set out in this Agreement.

8.2 Title to any of the Assets held by the Operator, or Demetra SA, shall be held in trust for the Joint Venture Partners in accordance with their respective Interests, subject to the terms of this Agreement. Any Joint Venture Partner may require the other Joint Venture Partner to transfer any of the Assets to be held to a mutually acceptable escrow holder on terms to be agreed upon.

8.3 If after the Effective Date the Operator fails to perform in a manner consistent with its powers and duties under this Agreement then any Joint Venture Partner may give to the Operator written notice setting forth particulars of the Operator's default. The Operator shall within 30 days of receipt of such notice either dispute the occurrence of such default, or commence to remedy the default within the time limit aforesaid (and thereafter, in the latter case, shall proceed continuously and diligently to complete all required remedial action). The Operator may take action to remedy an alleged default without prejudice to its right to dispute the occurrence of the default and to claim recovery of expenses incurred in remedial work not occasioned by its default. If the Operator disputes any alleged default or if the Joint Venture Partner alleging a default gives to the Operator a further written notice that the Operator has failed to proceed continuously and diligently to complete all required remedial action to remedy a default previously alleged by the Joint Venture Partner, then the matter shall be referred to arbitration pursuant to section 28 of this Agreement.

8.4 If after the Effective Date any of the following occur, the Operator will be deemed to have offered to resign, which offer shall be accepted, if at all, within 30 days following such deemed offer upon the occurrence of any of the following events:

- (a) if an attachment in respect to any material liability of the Operator is made on the Property which is not related to the business of the Joint Venture;

- (b) if the Operator:
 - (i) admits in writing its inability to pay its debts as they become due other than indebtedness (“**non-recourse financing**”) for money borrowed or guaranteed where the recourse of the holder thereof is restricted to realization upon specific assets none of which consist of any Interest, and where failure to pay the indebtedness does not result in the creation of an unsecured obligation of the Operator;
 - (ii) makes an assignment for the benefit of creditors;
 - (iii) consents to the appointment of a receiver (other than a receiver appointed under non-recourse financing) for all or a substantial part of its assets;
 - (iv) files a petition in bankruptcy or for a reorganization or an arrangement under applicable bankruptcy, insolvency or creditors’ relief laws, or otherwise seeks the relief therein provided; or
 - (v) is adjudicated bankrupt or insolvent; or
- (c) if a Court order is pronounced in respect to the Operator appointing a receiver or trustee for all or a substantial part of its property (except for property, other than the Property, securing non-recourse financing), or approving a petition in bankruptcy or for a reorganization under applicable bankruptcy, insolvency or creditors’ relief laws or for any judicial modification or alteration of the rights of creditors.

8.5 Upon ceasing to be Operator, the former Operator shall forthwith deliver to its successor all Assets, books, records and other property both real and personal relating to this Agreement or its role as Operator under this Agreement. The former Operator shall use its best efforts to transfer to its successor, as of the effective date of the former Operator’s resignation or removal, its rights and obligations, if any, as Operator under all contracts relating to the Assets, and pending such transfer and in relations to all other contracts relating to the Assets, the former Operator shall hold its right and interest as Operator from the date of resignation or removal for the account and to the order of the new Operator.

8.6 As soon as practicable after the resignation or removal of the Operator, the Management Committee shall have the accounts of the Operator relating to the Assets audited by an independent auditor (who may be the auditor of a Joint Venture Partner), and shall conduct an inventory of all Assets and such inventory shall be used in the return of and the accounting for the Assets by the Operator who has resigned or has been removed. All costs and expenses incurred in connection with such audit and inventory shall be deemed to be Program Costs.

8.7 The Operator shall not act or hold itself out as agent for the Joint Venture Partners nor make any commitments on their individual behalf unless specifically permitted by this Agreement or directed in writing by the Management Committee.

9. **POWER AND AUTHORITY OF OPERATOR**

9.1 Subject to the control and direction of the Management Committee, the Operator shall have full right, power and authority to do everything necessary or desirable in accordance with good mining practice in connection with the exploration and development of the Property and to determine the manner of operation of the Property as a mineral production facility, including and without limiting the generality of the foregoing, the right, power and authority to:

- (a) prepare and present to the Management Committee for approval Programs, with respect to the exploration of the Property and the development of a production facility capable of achieving Commercial Production;
- (b) implement the Programs approved by the Management Committee in accordance with sections 11 and 12;
- (c) regulate access to the Property subject to the right of the Joint Venture Partners to have reasonable access to the Property at all times; and
- (d) employ and engage such employees, agents, and independent contractors as it may consider necessary or advisable to carry out the Programs approved by the Management Committee and in this connection to delegate any of its powers and rights to perform its duties and obligations hereunder, but the Operator shall not enter into contractual relationships with an Associated Company except on terms which are commercially competitive.

10. **DUTIES AND OBLIGATIONS OF THE OPERATOR**

10.1 After the Effective Date, the Operator shall have such duties and obligations as the Management Committee may from time to time determine including, without limiting the generality of the foregoing, the following duties and obligations:

- (a) to propose to the Management Committee and, if approved, to implement Programs;
- (b) subject to the cooperation of the Joint Venture Partners, to maintain the Property in good standing;
- (c) to manage, direct and control all exploration, development and producing operations in and under the Property, in a careful, prudent and workmanlike manner, and in compliance with all applicable laws, rules, orders and regulations including, without limitation, those relating to reclamation and environmental protection;
- (d) to prepare and deliver to the Management Committee quarterly progress reports of the work in progress in such form as the Management Committee may direct which include statements of Program Costs and comparisons of such Program Costs to the approved Programs and comprehensive annual reports on or before March 30th each year covering the activities hereunder and results obtained during the calendar year ending on December 31st immediately preceding and timely current reports and information on any material results obtained together with such other reports as any Joint Venture Partner may reasonably request;
- (e) to account to the Management Committee for all contributions to Program Costs and to use all reasonable efforts to limit or curtail Program Overruns;
- (f) to maintain true and correct books, accounts and records of the Programs and operations hereunder in accordance the Accounting Procedure and with generally accepted accounting principles, applied consistently from year to year;
- (g) to permit the Joint Venture Partners, at their own expense, to inspect, have access to, take abstracts from or audit all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, including any

or all of the records and accounts that have been prepared exclusively in respect of operations hereunder, during normal business hours;

- (h) to obtain and maintain, or cause any contractor engaged hereunder to obtain and maintain, during any period in which active work is carried out hereunder, adequate insurance coverage with a bodily injury, death and property damage limit of not less than \$1,000,000 per occurrence;
- (i) to permit the Joint Venture Partners or their representatives so appointed, at their own expense and risk, access to the Property and all data derived exclusively from carrying out work thereon;
- (j) to arrange for and maintain Workers' Compensation or equivalent coverage for all eligible employees engaged by the Operator in accordance with local statutory requirements;
- (k) to perform its duties and obligations in a manner consistent with good exploration and mining practices; and
- (l) to transact, undertake and perform all transactions, contracts, employments, purchases, operations, negotiations with third parties and any other matter or thing undertaken on behalf of the Joint Venture Partners in the Operator's name.

10.2 The Operator may appoint Demetra SA as its agent for purposes of carrying out the Operator's duties and obligations under this Agreement.

11. **PROGRAMS**

11.1 After the Effective Date, Program Costs shall only be incurred under and pursuant to Programs prepared by the Operator and approved by the Management Committee as provided in this section.

11.2 Forthwith after the Effective Date and subsequently within 30 days after the completion of the previous Program or, subject to the rights of the Joint Venture Partner other than the Operator (the "**non-Operator**") to present a Program as set out below, the Operator shall prepare and submit to the Management Committee a Program proposed by the Operator for the following 12 month period. If the Operator fails to submit a Program in accordance with this subsection, the non-Operator will have the right to prepare and submit a Program in its stead and the provisions of this section will apply, mutatis mutandis, to such Program. If the Joint Venture Partner acting as Operator fails to implement the Program presented by the non-Operator in accordance with this section, the Management Committee shall have the right to appoint the non-Operator who may present a Program as Operator and implement same.

11.3 Within 90 days of the approval by the Management Committee of the first Program following the Participation Date and, thereafter, within 30 days of the approval of a Program by the Management Committee, each Joint Venture Partner shall give written notice to the Operator and the Management Committee stating whether or not it elects to contribute its Proportionate Share of such Program. Failure to give notice pursuant to this subsection within the 30 day period, will be deemed to be an election by the Joint Venture Partner not to contribute its Proportionate Share of such Program.

11.4 If following the Participation Date a Joint Venture Partner (the "**Non-Contributing Joint Venture Partner**") elects or is deemed to have elected not to contribute its Proportionate Share of a Program approved by the Management Committee pursuant to subsection 11.3, the remaining Joint Venture Partner (the "**Contributing Joint Venture Partner**") may give notice in writing to the Operator

that such Contributing Joint Venture Partner will contribute all Program Costs to be incurred under or pursuant to such Program by the Non-Contributing Joint Venture Partner in addition to its own Proportionate Share, and thereafter, the Operator will proceed with such Program. If at least 80% of the budgeted Program Costs in respect of such Program are incurred, the Joint Venture Partners' respective Interests shall thereafter be adjusted in accordance with subsection 13.1. If less than 80% of the budgeted Program Costs in respect of such Program are incurred, the Interests of the Joint Venture Partners will not be adjusted unless notice is first given by the Operator to the Non-Contributing Joint Venture Partner (the "Non-Contributing Joint Venture Partner") that the Program was abated together with notice of the amount of the actual Program Costs incurred, and the Non-Contributing Joint Venture Partner does not within 30 days thereafter reimburse the Contributing Joint Venture Partner to the extent of the Non-Contributing Joint Venture Partner's Proportionate Share of such Program (being the amount which the Contributing Joint Venture Partner elected to and did contribute instead of the Non-Contributing Joint Venture Partner) together with interest thereon from the date contributed at a per annum rate of the Prime Rate plus 3%. If the Non-Contributing Joint Venture Partner so reimburses the Contributing Joint Venture Partner within such 30 day period it shall be deemed to have contributed its Proportionate Share of such Program and the Joint Venture Partners' respective Interests shall not be adjusted in accordance with subsection 13.1. The Operator will not proceed with any Program, which is not fully funded by the Joint Venture Partners.

11.5 An election to fund a Program shall make a Joint Venture Partner liable to pay its Proportionate Share of all of the Program Costs actually incurred under or pursuant to such Program, including Program Overruns up to but not exceeding 10% of estimated Program Costs.

11.6 After having elected to fund a Program which is proceeded with, each Joint Venture Partner shall, within 10 days after being requested in writing to do so by the Operator, pay such amount of Program Costs incurred or to be incurred under or pursuant to such Program as the Operator may require, but the Operator shall not require payment of any funds more than one month in advance of the period during which the same are to be expended. The Operator will deliver monthly Expenditure projections to the Joint Venture Partners once each calendar quarter for the next succeeding three months.

11.7 Following the Participation Date, if it appears that Program Costs will exceed by greater than 10% those estimated under a Program, the Operator shall immediately give written notice to the Management Committee to the Joint Venture Partners outlining the nature and extent of the Program Overruns. If such Program Overruns are accepted by the Joint Venture Partners then, within 10 days after the receipt of a written request from the Operator, each Joint Venture Partner shall pay to the Operator its Proportionate Share of such Program Overruns. If any Joint Venture Partner does not accept such Program Overruns, or fails to pay the same, the Operator shall be entitled to curtail or abandon such Program, failing which it will be solely responsible for the amounts in excess of 10%, which will be deemed not to be Costs under this Agreement.

11.8 If a Joint Venture Partner at any time fails to pay such amount of Program Costs as is requested by the Operator in accordance with subsection 11.6 after having elected to do so or, after all Joint Venture Partners have accepted Program Overruns in accordance with subsection 11.7, fails to pay its Costs of such Production Overruns upon request to do so, the Operator may give written notice to such Joint Venture Partner demanding payment, and if such Joint Venture Partner has not paid such amount within 10 days after receipt of such notice, such Joint Venture Partner shall be deemed to:

- (a) be in default under subsection 11.6 or 11.7, as applicable; and
- (b) have lost its right to contribute to such Program;

and the other Joint Venture Partner shall have the right to contribute all Program Costs to be incurred under or pursuant to that Program and the Joint Venture Partners' respective Interests in the Property shall be adjusted in accordance with subsection 12.1 at which point such default shall be deemed to have been cured. The Operator shall have the right to curtail or abandon any Program, which is not fully funded by the Joint Venture Partners.

12. **PROGRAM, BUDGETS AND PAYMENTS**

12.1 On the Effective Date, all exploration and development on the Property will be planned and conducted and all estimates, reports and statements will be prepared and made on the basis of an operating year and in accordance with the Accounting Procedure. The first operating year for the Property will be the period from the Effective Date to December 31st of the same calendar year and thereafter each operating year will coincide with the calendar year (an "**Operating Year**").

12.2 Prior to the beginning of each Operating Year, the Operator will prepare and deliver to the Management Committee a Program for the ensuing Operating Year. The Program applicable to the first Operating Year will be submitted not later than the third quarter of each Operating Year, and the Program for each subsequent operating year will be submitted not later than November 15 in the year immediately preceding the Operating Year to which such Program relates. Each Program will contain, with reference to the Operating Year to which it relates, the following:

- (a) the Maintenance Budget,
- (b) a plan of proposed operations including, without limiting the generality of the foregoing, particulars of any special items such as:
 - (i) an increase of 20% or more in the capacity or throughput of the processing facility,
 - (ii) additional general exploration of the Property,
 - (iii) opening and equipping an additional mine or mines on the Property,
 - (iv) any departure from development or mining plans previously followed by the Operator,
 - (v) any plans for stockpiling of Mineral Products, or
 - (vi) any development work to be completed in any Operating Year if such work is not required in the ordinary course to continue mining as contemplated by the approved Program and Program Costs therefore are reasonably estimated by the Operator to exceed \$500,000;
- (c) a detailed estimate of all Program Costs plus a reasonable allowance for contingencies;
- (d) a detailed estimate of timing for cash disbursements for the Operator, and cash contributions for the Joint Venture Partners;
- (e) once production has commenced, an estimate of the quantity of Mineral Products to be produced from the Property; and
- (f) such other facts and figures as may be necessary to give the other parties a reasonably complete picture of the results the Operator plans to achieve;

and the Operator shall promptly supply to each Joint Venture Partner any additional or supplemental information which that Joint Venture Partner may reasonably require in respect to the Operating Plan.

12.3 The Management Committee shall within 60 days from receipt of any annual Program call a meeting of the Management Committee to approve the Program as presented or to consider and make such changes or consider alternative proposals as may be presented to the Management Committee. Provided that the proposed Program has made provision for the Maintenance Budget it will then be voted on by the Management Committee. If the proposed Program is approved but any Joint Venture Partner objects to the approved Program on the basis of any of the items as set out in subparagraphs 12.2(a)(i) to (vi), the Operator will either modify the Program or may elect to bear the Program Costs of such Joint Venture Partner relating to such item, in which event it will be entitled to recoup such amount together with interest at the Prime Rate plus two percent.

12.4 Based upon the budgets submitted to and approved by the Management Committee as the same may be revised from time to time the Operator shall submit to each Joint Venture Partner on or before the 10th day of each month an estimate of the cash requirements for the next month which shall show:

- (a) separately the estimated cash disbursements and timing of cash disbursements, which the Operator will be required to make for Program Costs and any other Program Costs approved by the Management Committee;
- (b) the extent if any to which such disbursements will be satisfied out of cash in the Operating Fund (as hereinafter defined) after allowing for the cash balance to be maintained in the Operating Fund as approved by the Management Committee;
- (c) the amounts, if any, which are credited to each Joint Venture Partner in the immediately preceding month;
- (d) the Proportionate Share which each Joint Venture Partner will be required to furnish to the Operator for such disbursements net of and indicating the amount of Operating Costs, if any, to be advanced by the Operator on behalf of that Joint Venture Partner pursuant to subsection 12.3; and
- (e) the account into which the required funds are to be deposited.

12.5 Following the Participation Date, and within 15 days after receipt of each such cash estimate, the Joint Venture Partners will remit to the Operator their respective Program Cost required and if any Joint Venture Partner fails to pay all or any part of its Proportionate Share pursuant to paragraph 12.4(d) the Operator shall be entitled to pay the unpaid share of that Joint Venture Partner. If the Operator pays such unpaid share, it will be entitled to recoup such amount, together with interest thereon at a rate equal to the Prime Rate plus three (3%) percent per annum, compounded semi-annually, not in advance, on June 30 and December 31 in each year, pursuant to subsection 19.3, and have a lien in respect of 100% of such amount pursuant to section 24.

12.6 Prior to incurring any Operating Cost hereunder or as soon as reasonably practicable thereafter, the Operator will open an account or accounts in bank(s) approved by the Joint Venture Partners for the purpose of establishing and maintaining therein at all times a cash fund (the "**Operating Fund**") from which Program Costs will be paid by the Operator or from which the Operator may be reimbursed for Program Costs spent by it.

12.7 All money received by the Operator from the Joint Venture Partners and the payment of the Operator's invoices for accrued Program Costs shall be deposited in the Operating Fund and, in addition, each Joint Venture Partner shall deposit or cause to be deposited in the Operating Fund at the times and in the manner provided in subsection 12.4 the sums provided for therein.

12.8 If the Interest of a Joint Venture Partner in the Property is converted to a Net Revenue Royalty pursuant to subsection 13.1 the Joint Venture Partner whose Interest in the Property was converted shall remain liable for its Proportionate Share of all amounts chargeable to it in respect of the Property through to the date of such conversion. If the remaining Joint Venture Partners require it to do so, the Joint Venture Partner whose Interest in respect of the Property was so converted shall secure to the satisfaction of the remaining Joint Venture Partners its Proportionate Share of the costs of reclamation of the surface lands to the Property and other environmental rehabilitation as may be required, such Proportionate Share to be determined on the basis of the Interest of such Joint Venture Partner in respect of the Property at the time the events giving rise to such liabilities occurred.

13. DILUTION

13.1 For the purposes of 11.4 and 11.8, the percentage level of each Joint Venture Partner's Interest in the Property shall be determined from time to time as being equal to the product obtained by multiplying one hundred percent (100%) by a fraction of which the numerator is the amount of such Joint Venture Partner's contributions or deemed contributions to Program Costs on the Property since the Participation Date and the denominator of which is the aggregate total of all amount of all contributions or deemed contributions to the Program Costs by all Joint Venture Partner since the Participation Date.

13.2 The percentage level of the respective Interests of the Joint Venture Partner in the Joint Venture shall not change so long as each Joint Venture Partner contributes its respective Proportionate Share of every Program Cost. At any time and from time to time after a Joint Venture Partner has first elected or is deemed to have elected not to contribute its Proportionate Share to a Program Cost or loses its right to contribute to Programs the percentage level of such Joint Venture Partner's Interest shall be adjusted in accordance with the formula set out in subsection 13.1.

13.3 If as a result of adjustment pursuant to subsection 13.1 and 13.2, a Joint Venture Partner's Interest is reduced to 15% or less, or if a Joint Venture Partner elects, or is deemed to have elected, not to participate up to its full Proportionate Share, the Interest of such Joint Venture Partner (the "**Diluted Joint Venture Partner**") shall be deemed to be transferred to the remaining Joint Venture Partner (the "**Remaining Joint Venture Partner**") and thereafter the Diluted Joint Venture Partner shall be deemed not to be a Joint Venture Partner but in consideration of such transfer shall be entitled to receive, and the Remaining Joint Venture Partner shall pay to it a two (2%) percent Net Revenue Royalty determined and paid in accordance with the provisions of *Schedule C* hereto. Upon such transfer the Diluted Joint Venture Partner will forthwith execute and deliver to the Remaining Joint Venture Partner all such documents as may, in the opinion of legal counsel for the Remaining Participant, be necessary to transfer to the Remaining Joint Venture Partner all Interest of the Diluted Joint Venture Partner, subject to the right of the Diluted Joint Venture Partner to receive a Net Revenue Royalty. The remaining Joint Venture Partner shall not transfer any of its interest in the Joint Venture without first causing the transferee to assume the Net Revenue Royalty.

13.4 If the Interest of any Joint Venture Partner in the Property is converted to a Net Revenue Royalty pursuant to subsection 13.3, any decision thereafter to place the Property into Commercial Production shall be at the sole discretion of the Remaining Joint Venture Partner and the Remaining Joint Venture Partner shall be under no obligation and nothing in this Agreement shall be construed as creating an obligation upon the Remaining Joint Venture Partner to commence Commercial Production and if the Remaining Joint Venture Partner commence production of Mineral Product, the Remaining Joint Venture Partner shall have the unfettered right to suspend or curtail any such operation from time to time as they in their sole discretion may deem advisable.

14. MANAGEMENT COMMITTEE

14.1 The Joint Venture Partners will, as soon as is practicable after the Effective Date, establish a Management Committee for the Joint Venture consisting of five representatives. Centurion shall have the right to appoint three representatives and Demetra shall have the right to appoint two representatives. Each Joint Venture Partner shall designate in writing to the other the names of its representatives to the Management Committee.

14.2 A Joint Venture Partner may from time to time revoke in writing the appointment of its representative to the Management Committee and appoint in writing another in their place. A Joint Venture Partner may from time to time in writing appoint one alternate representative for any representative theretofore appointed by such Joint Venture Partner to the Management Committee. Alternate representatives may attend meetings of the Management Committee, and in the absence of the representative, his alternate may vote and otherwise act in the place and stead of the representative. Whenever any representative or alternate representative votes or acts, his votes or actions shall for all purposes of this Agreement be considered the actions of the Joint Venture Partner whom they represent. The Joint Venture Partners shall give written notice to each other from time to time as to names, addresses, telephone numbers, email addresses, and facsimile numbers of their respective representatives and alternates on the Management Committee.

14.3 Meetings of the Management Committee may take place by means of counterpart resolutions delivered electronically via email, facsimile, mail, or courier, or by means of conference telephones or other communication facilities by which means all representatives Joint Venture Partner or their alternates participating in the meeting can hear each other. The representatives participating in a meeting in accordance with this subsection shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefor and be entitled to speak and vote thereat.

14.4 Meetings of the Management Committee may be called by the Operator or any Joint Venture Partner, by giving no less than fifteen days' notice in writing to the others unless otherwise agreed to by the Joint Venture Partners.

14.5 The Chairperson of the Management Committee (the "**Chair**") shall be appointed by Centurion.

14.6 The Operator shall consult freely with the Management Committee, and keep the Management Committee fully advised of the present and prospective operations and plans and shall furnish the Management Committee with quarterly reports relating to the status of the Property together with timely current reports and information on any material results relating to the Property.

14.7 Voting by the Management Committee may be conducted by verbal, written, email, facsimile or electronic ballot each representative or alternative representative shall have one vote, except as otherwise provided in this Agreement, all decisions of the Management Committee shall be by the affirmative vote of a majority of the votes entitled to be cast by the representatives. The representative of a defaulting Party Joint Venture Partner shall be entitled to attend meetings of the Management Committee but shall not be entitled to vote.

14.8 Except as hereinafter provided in subsection 14.11 a quorum of any meeting of the Management Committee shall consist of any combination consisting of one representative or one alternate of each Joint Venture Partner. If a quorum is not present within thirty minutes after the time fixed for holding any such meeting, the meeting shall be adjourned to the same day in the next week (unless such day is a non-business day in which case it shall be adjourned to the next following business day thereafter) at the same time and place. At the adjourned meeting the representatives present in person (which may include only

one person) shall form a quorum and may transact the business for which the meeting was originally convened.

14.9 The following matters shall require the unanimous approval of the Management Committee:

- (a) the acquisition or disposition of an Asset or series of Assets with a fair market value in excess of USD \$1,000,000 or an Asset that the acquisition or disposition of which would substantially change the nature of the business ordinarily conducted by the Joint Venture;
- (b) the borrowing of any funds in an amount greater than USD \$1,000,000, on behalf of the Joint Venture or the incurrence, assumption or guarantee of any debt by the Joint Venture, except as incurred in the ordinary course of business;
- (c) the commencement of any litigation on behalf of the Joint Venture seeking damages in excess of USD \$100,000 or the settlement of any litigation or other dispute involving the Joint Venture for an amount in excess of USD \$100,000;
- (d) the disposition of all or any material portion of the Property; and
- (e) Any Program that has a budgeted Program Costs that are less than or fails to fund the Maintenance Budget.

14.10 All meetings shall be held at such place in the City of Vancouver, as shall be designated by the Operator unless otherwise agreed to by the Joint Venture Partners.

14.11 There shall be included with a notice of meeting such material and data as may be reasonably required to enable the members of the Management Committee to determine the position they should take in respect of any vote or election to be made at such meeting.

14.12 The Operator shall have the responsibility of preparing and distributing notices and agendas of meetings and keeping records of the proceedings at such meetings and distributing same to the Joint Venture Partners. Unless any Joint Venture Partner whose representative was present at the relevant meeting objects by notice in writing delivered to the Operator within 30 days of receipt of minutes of meetings, detailing the basis for such objection, the minutes so distributed shall be deemed a conclusive record of the proceedings of such meetings. The Joint Venture Partners shall not effect any action based on minutes, which are in dispute and, in the event of any dispute in respect of the minutes, the Joint Venture Partners shall reconvene a Management Committee meeting within seven days to resolve such dispute.

15. **POWERS OF MANAGEMENT COMMITTEE**

15.1 The Management Committee shall, without limiting any of its powers as specified elsewhere in this Agreement, have the exclusive right, power and authority separately with respect to the Property to:

- (a) approve, modify, or reject any Program proposed by the Operator or any Program proposed by a Joint Venture Partner;
- (b) Subject to the provisions of section 8.1, remove the Operator;
- (c) appoint a new Operator if the Operator resigns pursuant to subsection 8.1 or is deemed to have resigned pursuant to subsection 8.3;

- (d) determine the terms of engagement of the Operator, including any remuneration payable to the Operator on the basis that the Operator should neither profit nor lose for acting as such;
- (e) approve or reject the sale, abandonment or disposition of any part of the Assets (other than the Property), which, in the case of any asset or series of related assets having a value in excess of USD \$200,000; and
- (f) establish accounting procedures from time to time for the Operator.

16. **DISPOSITION OF PRODUCTION**

16.1 For any period after the commencement of Commercial Production on the Property and provided that each Joint Venture Partner has paid to the Operator its respective Proportionate Share of Program Costs for that period, the Joint Venture Partners shall be entitled to participation in the profits of the Joint Venture in the ratio of their respective Interests in the Property.

16.2 Proceeds, if any, from the sale by the Operator of Mineral Products shall be calculated by the Operator separately for each Joint Venture Partner at the end of each calendar month and shall be paid monthly within 20 days after the end of each such calendar month following payment to the Operator by each Joint Venture Partner of its respective Proportionate Share of Program Costs outstanding as at the end of that calendar month.

16.3 If a Joint Venture Partner, any Affiliate of a Joint Venture Partner or any person with whom a Joint Venture Partner is not dealing at arm's length is a purchaser of Mineral Products from a Joint Venture Partner, and if the value of such Mineral Products is to be used to determine any matter arising under this section, such Joint Venture Partner shall be required to receive competitive prices for all Mineral Products so sold.

17. **AUDIT**

17.1 On the written request of the Management Committee the records relating to the Joint Venture and its Assets including all Program Costs and Mineral Products taken in kind or to the calculation of proceeds from the sale thereof shall be audited annually at the end of each fiscal year of the Operator and:

- (a) any adjustments required by such audit shall be made forthwith;
- (b) a copy of the audited statements shall be delivered to the Joint Venture Partners within six months of the end of such fiscal year; and
- (c) the expenses of any such audit will be deemed to be Program Costs;

and all such accounts and records shall be deemed to be correct and accurate unless questioned by a Joint Venture Partner within 12 months following the end of the calendar year to which the accounts relate.

17.2 Each Joint Venture Partner at reasonable times and upon notice in writing to the Operator, shall have the right to inspect, audit and copy the Operator's accounts and records relating exclusively to the operations of the Joint Venture for any calendar year within 12 months following the end of such calendar year. The Joint Venture Partners shall make all reasonable efforts to conduct audits in a manner, which will result in a minimum of inconvenience to the Operator, and the expenses of any such audit will be borne by the Joint Venture Partner, which implemented it.

18. **SHARING OF AND CONFIDENTIAL NATURE OF INFORMATION**

18.1 Subject to subsection 18.2, each Joint Venture Partner agrees that all information obtained hereunder shall be the exclusive property of the Joint Venture Partners and not publicly disclosed or used other than for the activities contemplated hereunder and except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or with the written consent of the other Joint Venture Partners, such consent not to be unreasonably withheld or delayed.

18.2 Consent to disclosure of information pursuant to subsection 18.1 shall not be unreasonably withheld where a Joint Venture Partner wishes to disclose any such information to a third party for the purpose of arranging bona fide financings for its contributions to Costs hereunder or for the purpose of selling its Interest in the Property, or attracting a third party to enter a joint venture in respect of the Property, provided that such third party gives its undertaking to the Joint Venture Partners that any such information not theretofore publicly disclosed shall be kept confidential and not disclosed to others.

18.3 Each party will, prior to making any press release or other written public disclosure, provide to the other a draft not less than twenty-four (24) hours prior to the proposed release thereof and will, prior to making such disclosure, consider the comments of the other party with respect to such draft in finalizing the disclosure.

18.4 Neither Joint Venture Partner shall be liable to the other for the fraudulent or negligent disclosure of information by any of its employees, servants or agents, provided that such Joint Venture Partner has taken reasonable steps to ensure the preservation of the confidential nature of such information.

19. **LIMITED CHARGING**

19.1 Each Joint Venture Partner hereby covenants and agrees with the other to cooperate fully in connection with any production financing for the Property which is presented on reasonable commercial terms for projects of a similar nature, size and financial risk and to hold its Interest free and clear of all liens, charges and encumbrances including any floating charge (except liens for taxes not yet due and other inchoate liens and arising from operations on the Property being contested in good faith) and each Joint Venture Partner shall, if so required by the terms of such project financing, issue to any lender providing such financing, bonds, debentures or other security instruments charging its Interest in the Joint Venture and its Property, inter alia, by way of a specific first mortgage and charge limited to its Interest in Joint Venture and the Property. No such project financing shall require either Joint Venture Partner to give any guarantee to any third party on behalf of the other Joint Venture Partner, to be jointly and severally liable for the repayment of such financing or to give security to any lenders in respect of such financing in an amount greater than its Interest in the Joint Venture and the Property.

20. **RESTRICTIONS ON ALIENATION / RIGHT OF FIRST REFUSAL**

20.1 Except in accordance with this Agreement neither Joint Venture Partner shall transfer, convey, assign, mortgage or grant an option in respect of or grant a right to purchase or in any manner transfer or alienate any or all of its Interest in the Property or transfer or assign any of its rights under this Agreement.

20.2 Subject to this section 20, neither Joint Venture Partner shall sell any of its Interest in the Property or otherwise transfer or assign any of its rights under this Agreement except in the event that all the following provisions are met:

- (a) after the third anniversary of the Effective Date;

- (b) with this written consent of the other Joint Venture Partner;
- (c) in its entirety, unless specifically provided otherwise hereunder;
- (d) pursuant to an agreement in writing;
- (e) as a single transaction not directly or indirectly part of some other sale or purchase or agreement for any additional consideration of any nature whatsoever; and
- (f) when there is no default of any of the covenants and agreements herein contained by such Joint Venture Partner.

20.3 Nothing in this section shall prevent:

- (a) a sale by either Joint Venture Partner of all of its Interest in the Property or an assignment of all its rights under this Agreement to an Associated Company provided that such Associated Company first complies with the provisions of subsection 20.17 and agrees with the other parties in writing to retransfer such Interest to the originally assigning party before ceasing to be an Associated Company of such Joint Venture Partner; or
- (b) a joint disposition of the Property or all or any part of the other assets constituting any part of the Assets to a third party by the Joint Venture Partners; or
- (c) a transfer of all or any part of the Interest of one Joint Venture Partner to the other Joint Venture Partner.

20.4 Subject to subsections 20.1, 20.2 and 20.3 if either Joint Venture Partner (in this section called the “Offeror”) intends to sell its Interest in the Property or assign its rights under this Agreement it shall give notice in writing to the other Joint Venture Partner (in this section the Joint Venture Partner receiving such notice is called the “Offeree”) of such intention together with the terms and conditions on which the Offeror intends to sell its Interest in the Property or assign its rights under this Agreement.

20.5 Subject to subsections 20.1, 20.2 and 20.3, if either Joint Venture Partner (in this section also called the “Offeror”) receives any offer to purchase its Interest in the Property or assign its rights under this Agreement which it intends to accept, the Offeror shall not accept the same unless and until the Offeror has first offered to sell such Interest in the Property or rights to the other Joint Venture Partner (in this section also called the “Offeree”) on the same terms and conditions as in the offer received and the same has not been accepted by the Offeree in accordance with subsection 20.7.

20.6 Any communication of an intention to sell pursuant to subsections 20.4 or 20.5 (the “Offer” for the purposes of this section only) shall be in writing delivered in accordance with section 26 and shall:

- (a) set out fully and clearly all of the terms and conditions of any intended sale;
- (b) if it is made pursuant to subsection 20.5, include a photocopy of the Offer and clearly identify the entity making the offer and include such information as is known by the Offeror about such entity;

and such communication will be deemed to constitute an Offer by the Offeror to the Offeree to sell the Offeror’s Interest in the Property or transfer or assign its rights under this Agreement to the Offeree on the terms and conditions set out in such Offer.

20.7 Any Offer made as contemplated in subsection 20.6 shall be open for acceptance by the Offeree for a period of 60 days from the date of receipt by the Offeree.

20.8 If an Offeree accepts the Offer within the time limited, such acceptance shall constitute a binding agreement of purchase and sale between the Offeror and the Offeree for the Interest in the Property or its rights under this Agreement on the terms and conditions set out in such Offer.

20.9 If the Offeree does not accept the Offer within the time limited the Offeror may complete a sale and purchase of its Interest or its rights under this Agreement on exactly the same terms and conditions set out in the Offer and, where applicable, only to the party making the original offer to the Offeror as contemplated in subsection 20.5, and in any event such sale and purchase will be completed within 60 days from the expiration of the right of the Offeree to accept such Offer or the Offeror must again comply with the provisions of this section.

20.10 While any Offer is outstanding no other Offer may be made until the first mentioned Offer is disposed of and any sale resulting therefrom completed in accordance with the provisions of this section.

20.11 Before the completion of any sale by a Joint Venture Partner of its Interest or rights under this Agreement, to an Associated Company or otherwise, the entity purchasing such Interest shall, at the election of the Joint Venture Partners not selling, enter into an agreement with the Joint Venture Partner not selling on the same terms and conditions as set out in this Agreement.

20.12 Each Joint Venture Partner agrees that its failure to comply with the restrictions set out in this section would constitute an injury and damage to the other Joint Venture Partner impossible to measure monetarily and, in the event of any such failure the other Joint Venture Partner shall, in addition and without prejudice to any other rights and remedies at law or in equity, be entitled to seek injunctive relief restraining or enjoining any sale of any Interest in the Property or assignment of any rights under this Agreement save in accordance with the provisions of this section.

20.13 If the Joint Venture Partner acting as Operator sells its Interest in the Property or transfers or assigns its rights under this Agreement to a third party, its right as Operator under this Agreement shall be included in such sale only if the third party is acceptable to the remaining Joint Venture Partner and is capable of assuming and performing the duties and obligations of the Operator imposed under this Agreement.

21. **OPERATOR'S LIEN**

21.1 The Operator will have a first lien and charge (subject only to the rights of any third party providing financing for the Production Program), on the Joint Venture Partners' respective Interests, their right to receive either Product in kind or proceeds from the sale thereof and their interests in any contracts for the sale of Product as security for:

- (a) their respective Proportionate Share of Program Costs; and
- (b) any amount paid on behalf of a Joint Venture Partner by the Operator pursuant to this Agreement, plus (if applicable) interest as set out therein;

such lien and charge to be secured, upon the request of the Operator, by a mortgage, pledge and charge, general security agreement and *Personal Property Security Act* (British Columbia) financing statement in favour of the Operator upon a Joint Venture Partner's Interest, its right at any time to receive either Product in kind or proceeds from the sale thereof and its interest in any contracts for the sale of Product, but if a Joint Venture Partner wishes to provide a sufficient bond for securing such payment, in the place

of a mortgage, pledge and charge, general security agreement and financing statement, it may elect to do so, and if the Operator objects thereto, the sufficiency of the bond (including the acceptability of the obligor thereunder) will be submitted to arbitration pursuant to section 28.

22. **ENCUMBRANCE, PARTITION AND INDEMNIFICATION**

22.1 Except as otherwise provided herein, a Joint Venture Partner shall not encumber or suffer to exist any lien, charge or encumbrance on its Interest.

22.2 Neither Joint Venture Partner shall partition or seek partition, whether through order of any court or otherwise, of the Property, or other assets constituting any part of the Assets.

22.3 A Joint Venture Partner shall not have authority to act for or assume any obligations or liabilities on behalf of the other Joint Venture Partner except such as are specifically authorized pursuant to and in accordance with the terms of this Agreement, and each Joint Venture Partner shall indemnify and hold the other, and their officers, employees, and agents, harmless from and against any and all losses, claims, damages and liabilities arising out of any act or any assumption of any obligations by it done or undertaken on behalf of the other Joint Venture Partner other than as provided herein.

23. **LIABILITY OF THE OPERATOR**

23.1 Subject to section 23.2, each Party shall indemnify and save the Operator harmless from and against any loss, liability, claim, demand, damage, expense, injury or death (including, without limiting the generality of the foregoing, legal fees) resulting from any acts or omissions of the Operator or its officers, employees or agents.

23.2 Notwithstanding section 23.1, the Operator shall not be indemnified nor held harmless by any of the Parties for any loss, liability, claim, damage, expense, injury or death, (including, without limiting the generality of the foregoing, legal fees) resulting from the negligence or willful misconduct of the Operator or its officers, employees or agents.

23.3 An act or omission of the Operator or its officers, employees or agents done or omitted to be done:

- (a) at the direction of, or with the concurrence of, the Parties; or
- (b) unilaterally and in good faith by the Operator to protect life or property;

shall be deemed not to be negligence or willful misconduct.

23.4 The obligation of each Party to indemnify and save the Operator harmless pursuant to section 23.1 shall be in proportion to its Interest as at the date that the loss, liability, claim, demand, damage, expense, injury or death occurred or arose.

23.5 The Operator shall not be liable to any other Party nor shall any Party be liable to the Operator in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues.

24. **INSURANCE**

24.1 Commencing on the Effective Date and subject to availability of funds provided by the Joint Venture Partners, the Operator shall place and maintain with a reputable insurer or insurers such insurance, if any, as the Operator in its discretion deems advisable in order to protect the Parties together

with such other insurance as any Party may by notice reasonably request. The Operator shall, upon the written request of any Party, provide it with evidence of that insurance.

24.2 Section 24.1 shall not preclude any Party from placing, for its own account, insurance for greater or other coverage than that placed by the Operator.

25. **FORCE MAJEURE**

25.1 Notwithstanding anything herein contained to the contrary, if any Party is prevented from or delayed in performing any obligation under this Agreement, and such failure is occasioned by any cause beyond its reasonable control, excluding only lack of finances, then the time for the observance of the condition or performance of the obligation in question shall be extended for a period equivalent to the total period the cause of the prevention or delay persists or remains in effect regardless of the length of such total period.

25.2 Any party hereto claiming suspension of its obligations as aforesaid shall promptly notify the other parties to that effect and shall take all reasonable steps to remove or remedy the cause and effect of the force majeure described in the said notice insofar as it is reasonably able so to do and as soon as possible; provided that the terms of settlement of any labor disturbance or dispute, strike or lockout shall be wholly in the discretion of the party claiming suspension of its obligations by reason thereof, and that party shall not be required to accede to the demands of its opponents in any such labor disturbance or dispute, strike, or lockout solely to remedy or remove the force majeure thereby constituted. The party claiming suspension of its obligations shall promptly notify the other parties when the cause of the Force Majeure has been removed.

25.3 The extension of time for the observance of conditions or performance of obligations as a result of force majeure shall not relieve the Operator from its obligations to keep the Property in good standing.

26. **NOTICE**

26.1 All Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by email or facsimile or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

If to Centurion: Centurion Minerals Ltd.
Suite 322 – 470 Granville Street
Vancouver, British Columbia V6C 1V5
Attention: David Tafel, President
email: davidt@cdnstock.com

And to Cawkell Brodie LLP
439 Helmcken St
Vancouver, British Columbia V6B 2E6
Attention: K A Cawkell
email: kcawkell@cawkell.com

If to Demetra: Demetra Minerals Inc.
Suite 322 – 470 Granville Street
Vancouver, British Columbia V6C 1V5
Attention: Gregg Jensen, President
email: gregg@demetraminerals.com

- (c) include with it a release in writing, in form acceptable to counsel for the Operator, releasing the other parties from all claims and demands hereunder, except for those which arose or accrued or were accruing due on or before the date of withdrawal.

27.4 A Joint Venture Partner to whom a notice of withdrawal has been given as contemplated in subsection 25.3 may elect, by written notice given within ninety (90) days to the withdrawing Joint Venture Partner, to accept the withdrawal or to join in the withdrawal. The withdrawing Joint Venture Partner will execute and deliver all such documents as are required to convey its Interest to the Joint Venture Partner that elect to accept the withdrawal. If all of the Joint Venture Partners join in the withdrawal, the Joint Venture will terminate in accordance with this section 27, the Joint Venture Partner which was the Operator being obligated to continue as Operator to effect the termination and the other Joint Venture Partner being obligated to fund their respective Proportionate Share of the costs incurred with respect to properly terminating the Joint Venture operations. Any withdrawal under subsection 27.3 will not relieve the withdrawing Joint Venture Partner of its Proportionate Share of liabilities to third persons (whether such accrues before or after such withdrawal). For purposes of this subsection the withdrawing Joint Venture Partner's Proportionate Share of such liabilities will be equal to its Interest at the time such liability was incurred.

27.5 On termination of this Agreement pursuant to this section 27, the Joint Venture Partners will remain liable for continuing obligations hereunder until final settlement of all accounts and for any liability, whether it accrues before or after termination, if it arises out of operations hereunder during the term of this Agreement.

27.6 Promptly after termination under this section 27, the Operator will take all action necessary to wind up the activities of the Joint Venture, and all costs and expenses incurred in connection with the termination of the Joint Venture will be deemed to be Program Costs chargeable to the Joint Venture. The Assets will first be paid, applied, or distributed in satisfaction of all liabilities of the Joint Venture Partners to third parties and then to satisfy any debts, obligations, or liabilities owed to the Joint Venture Partners. Before distributing any funds or Assets to Joint Venture Partners, the Operator will have the right to segregate amounts which, in the Operator's reasonable judgment, are necessary to discharge continuing obligations or to purchase for the account of the Joint Venture Partners, bonds or other securities for the performance of such obligations. Thereafter, any remaining cash and all other Assets will be distributed (all Assets other than cash being distributed in undivided interests unless otherwise agreed) to the Joint Venture Partners in proportion to their then current Interest.

27.7 A Joint Venture Partner that withdraws pursuant to subsection 27.3, or has transferred its Interest in consideration of a Net Revenue Royalty pursuant to subsection 13.3 will not, directly or indirectly, acquire any rights to or interest in Minerals within the Area of Interest for two (2) years after the effective date of withdrawal. If a withdrawing Joint Venture Partner, or the Affiliate of a withdrawing Joint Venture Partner, breaches this subsection, such Joint Venture Partner or Affiliate will be obligated to offer to convey to the non-withdrawing Joint Venture Partner, without cost, any such right or interest so acquired. Such offer will be made in writing and can be accepted by the non-withdrawing Joint Venture Partner at any time within sixty (60) days after it is received.

27.8 Prior to the distribution of the Assets or the net revenues received on the disposal thereof on termination of this Agreement, the Management Committee will meet and may approve a procedure for the retention, maintenance and disposal of documents maintained by the Management Committee (the "Documents") and will appoint such party as may consent thereto to ensure that all proper steps are taken to implement and maintain that procedure. If a quorum is not present at the meeting or if the Management Committee fails to approve a procedure as aforesaid, the Operator, if a party, or otherwise the party holding the largest Interest as at the day immediately preceding the date the Management

Committee was called to meet, will, subject to the provisions of section 18, retain, maintain and dispose of the Documents according to such procedure, in compliance with all applicable laws, as it deems fit. The Joint Venture Partner entrusted with the retention will be entitled to receive payment of those costs and expenses prior to any distribution being made of any of the Property or the net revenues received on the disposal thereof.

27.9 On termination of this Agreement or on the deemed withdrawal of a Joint Venture Partner, the Operator will have the power and authority, subject to control of the Management Committee, if any, to do all things on behalf of the Participants which are reasonably necessary or convenient to:

- (a) wind up all operations hereunder; and
- (b) complete any transaction and satisfy any obligation, unfinished or unsatisfied at the time of such termination or withdrawal, if the transaction or obligation arises out of operations hereunder prior to such termination or withdrawal.

The Operator will also have the power and authority, but only in the event of termination or withdrawal as referred to in this subsection to grant or receive extensions of time or change the method of payment of an already existing liability or obligation, prosecute and defend actions on behalf of the Joint Venture Partners and the Joint Venture, mortgage Assets, and take any other reasonable action in any matter with respect to which the former Joint Venture Partners continue to have, or appear or are alleged to have, common interest or a common liability.

28. **ARBITRATION**

28.1 Any dispute arising between the Joint Venture Partners in respect of the interpretation of this Agreement or any matter to be agreed upon hereunder will be submitted to a single arbitrator to be agreed upon by the parties to that dispute, provided that if a single arbitrator cannot be agreed upon within ten business days after the appointment of the single arbitrator has been requested in writing by one of the Joint Venture Partners, then the dispute will be referred to a board of three arbitrators, one to be appointed by each side to the dispute and a third arbitrator to be appointed by the first two named arbitrators in writing.

28.2 Any Joint Venture Partner may, upon written notice to the others demand arbitration of any dispute hereunder.

28.3 No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.

28.4 Upon appointment in accordance with subsection 28.1 the arbitrator(s) will immediately proceed to hear and determine the dispute.

28.5 The award of the arbitrator(s) will be made within 45 days after his (their) appointment subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrator(s) will be in writing and signed by the arbitrator(s) and will be final and binding upon the participants who will abide by the award.

28.6 The provisions of this section will be deemed to be a submission to arbitration within the provisions of the *Commercial Arbitration Act* (British Columbia).

29. **GENERAL**

29.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

29.2 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

29.3 This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral or written agreements or understandings between the parties and any subsidiaries, associated or affiliated companies thereof with respect to the subject matter with respect to the subject matter hereof. An amendment or variation of this Agreement shall only be binding upon a party if evidenced in writing executed by that party.

29.4 Time is of the essence of this Agreement.

29.5 Each of the Parties hereto waives, during the term of this Agreement, any right to partition of the Property or the Assets or any part thereof and no party shall seek to be entitled to partition of the Property or the Assets whether by way of physical partition, judicial sale or otherwise during the term of this Agreement.

29.6 No waiver of any breach of this Agreement shall be binding unless evidenced in writing executed by the party against whom charged. Any waiver shall extend only to the particular breach so waived and shall not limit any rights with respect to any future breach.

29.7 This Agreement may be drawn in a language other than English, and the parties acknowledge and agree that the English language version of this Agreement shall be the legal and governing version of the Agreement. In any dispute between the parties, the English language version of this Agreement shall be the version submitted to the Arbitrator, or court of competent jurisdiction.

29.8 If any term of this Agreement is determined to be invalid or unenforceable, in whole or in part, that invalidity or unenforceability will attach only to such term or part term, and the remaining part of the term and all other terms of this Agreement will continue in full force and effect. The invalidity or unenforceability of any term in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable

29.8 This Agreement may be executed in one or more counterparts by original or electronic signature, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

CENTURION MINERALS LTD.

Per

/s/ David Tafel

DEMETRA MINERALS INC.

Per

/s/ Gregg Jensen

DEMETRA FERTILIZANTES S.A.

Per

/s/ Fernando Bacot

Schedule A	Description of the Ana Sofia Property
Schedule B	Program Costs and Provisions
Schedule C	Net Revenue Royalty
Schedule D	Founders' Preference Shares
Schedule E	Demetra's Subsidiaries
Schedule F	Form of Amalgamation Notice

SCHEDULE A
Description of the Ana Sofia Property

The Ana Sofia Property is located in the Guasayán Department of the Santiago del Estero Province in north central Argentina some 1100 km northwest of the country's capital city, Buenos Aires, and approximately 44 km southwest of the provincial capital city of Santiago del Estero. The Ana Sofia Property is located within 0.5 km of a paved highway, and high voltage power lines, and is roughly centered on POSGAR 2007 (Zone 4) coordinates 4339639 m E and 6901105 m N (64°37'49.34" W / 28°00'43.42" S).

The Property comprises two (2) non-contiguous mineral (exploitation) concessions (mineral leases) with a combined total area of approximately 50 ha surrounded by a larger mineral exploration permit block (520 ha). The southern of the mineral concessions is called the Ana Sofia 1 and has an area of approximately 7.0 ha while the northern concession is called Ana Sofia 2 and has an area of approximately 43.0 ha (Figure 4.1). The 2 concessions are separated by approximately 400m. On November 11, 2014, a 10 year mining lease was issued to Demetra with respect to the Ana Sofia 1 concession and a similar 10 year mining lease was issued to Demetra with respect to the Ana Sofia 2 concession on December 3, 2015.



Legend

-  Ana Sofia Property
-  City
-  Province
-  Country

CENTURION MINERALS LTD.

Ana Sofia Property, Santiago de Estero, Argentina

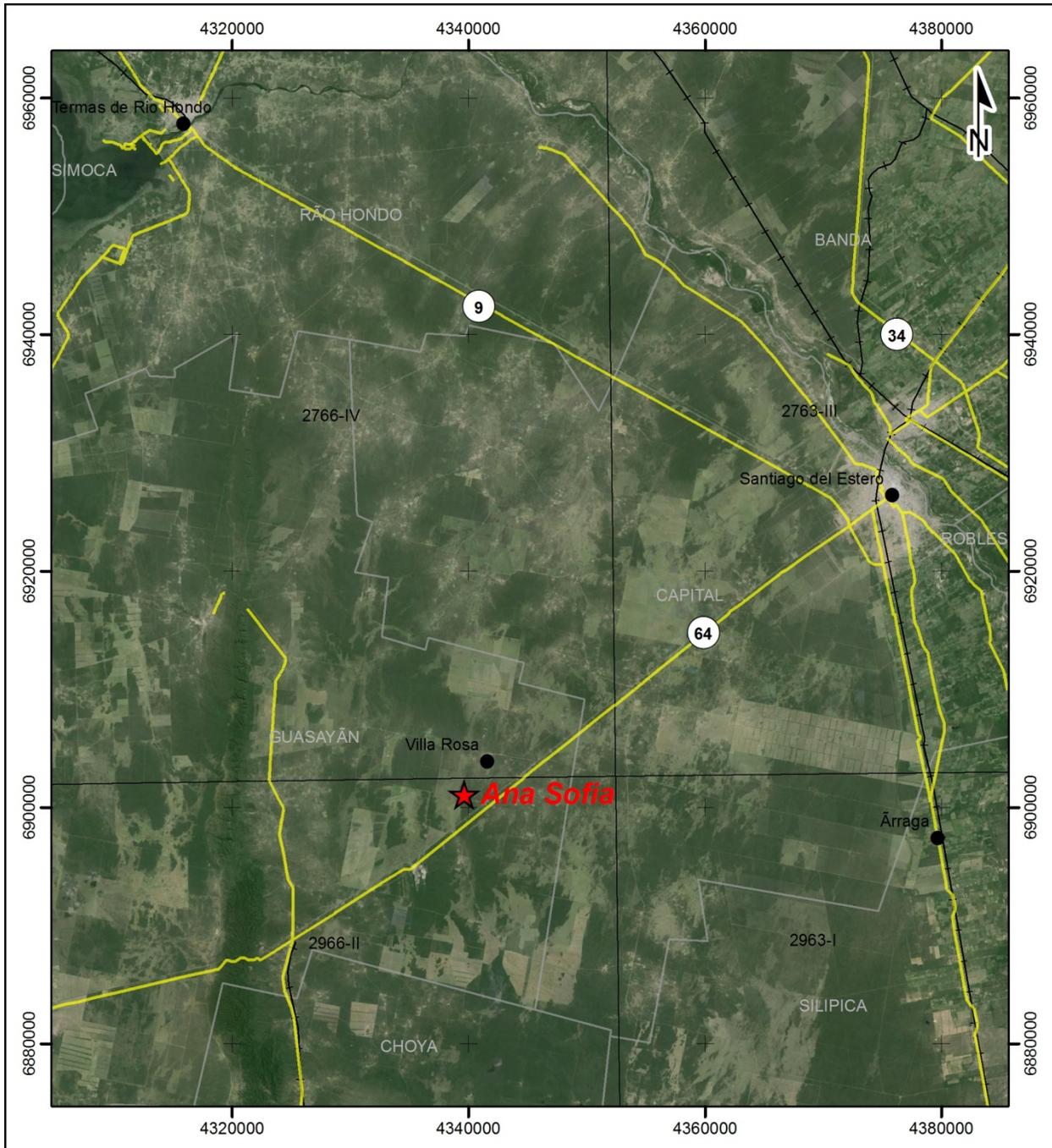
Property Location

0 1:25,000,000 800 km

POSGAR 07 Zone 4
APEX Geoscience Ltd.

Edmonton, AB

December 2015



Legend

-  Ana Sofia Property
-  Cities
-  Paved Highway
-  Railway
-  Department
-  1:250,000 Map Sheets

CENTURION MINERALS LTD.

Ana Sofia Property, Santiago del Estero, Argentina

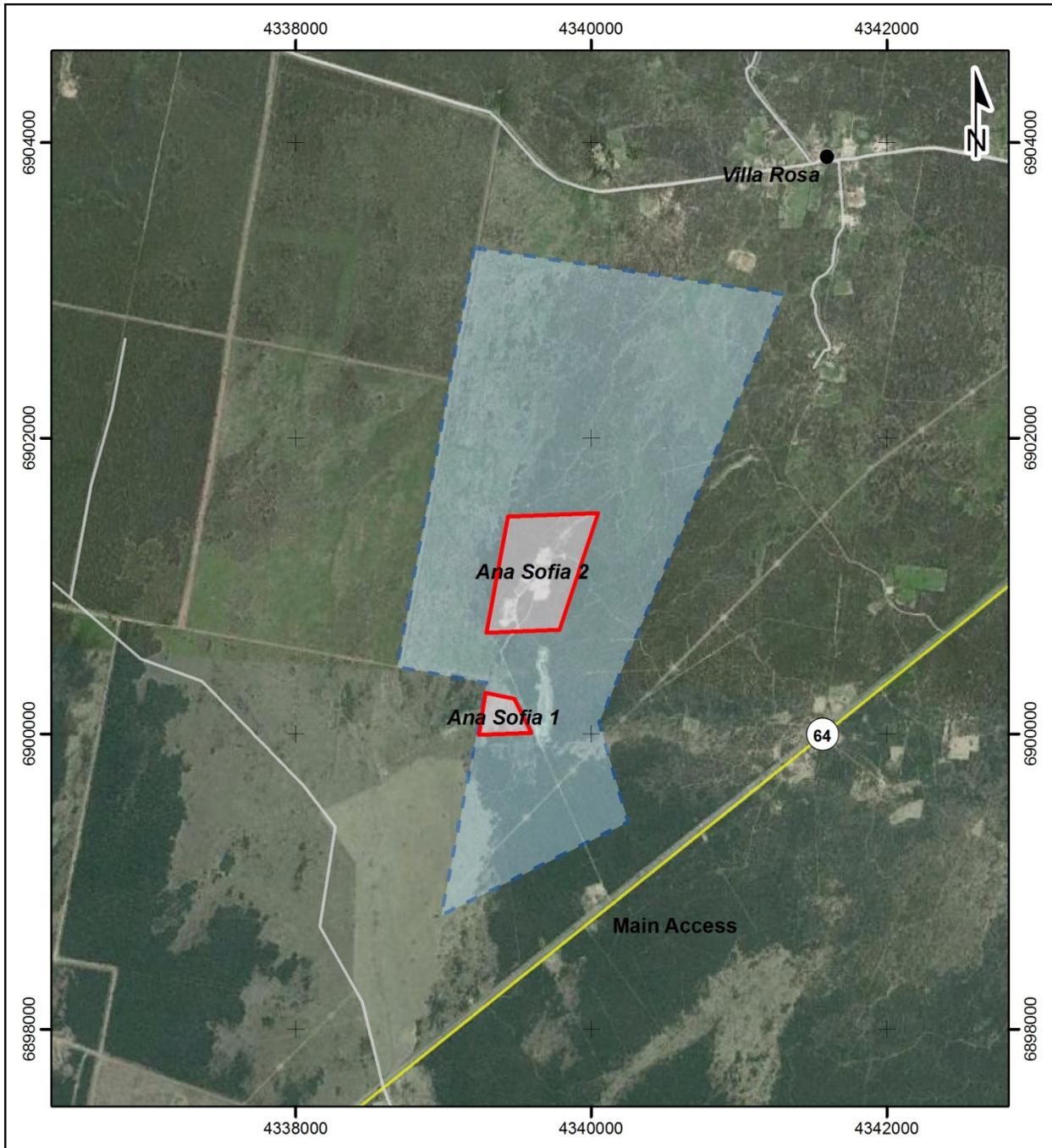
Property Access



POSGAR 07 Zone 4
APEX Geoscience Ltd.

Edmonton, AB

December 2015



Legend

- Town
- Road
- Paved Highway
- ▭ Mineral Concession
- ▭ Mineral Exploraiton Permit

CENTURION MINERALS LTD.

Ana Sofia Property, Santiago del Estero, Argentina

Ana Sofia Property Concessions and Property Access



POSGAR 07 Zone 4
APEX Geoscience Ltd.

Edmonton, AB

December 2015

SCHEDULE B
Program Costs and Provisions

“**Program Costs**” shall have the meaning as set out in the definitions section 1 and shall include but not be limited to;

- i) all costs of or related to the mining and processing of Mineral Products and the operation of the Facilities and all costs of or related to marketing of Mineral Products including transportation, commissions and/or discounts;
- ii) such amount of cash for working capital as, in the opinion of the Operator, is required for the operation of the Property as a mine;
- iii) all costs of or related to operating employee facilities, including housing;
- iv) all duties, charges, levies, royalties, taxes (excluding taxes levied on the income of the Operator) and other payments imposed by any government or municipality or department or agency thereof upon or in connection with operating the Property as a mine;
- v) a reasonable fee made by the Operator for unallocated overhead costs;
- vi) all reasonable costs of consulting, legal, accounting, insurance and other services;
- vii) all exploration Program Costs incurred after commencement of Commercial Production;
- viii) all capital costs of operating the Property as a mine including all costs of construction, equipment and mine development including maintenance, repairs and replacements, and any capital Program Costs relating to an improvement, expansion, modernization or replacement of the Facilities;
- ix) all costs for pollution control, reclamation costs and any other related costs incurred or to be incurred in connection with the operation of the Property as a mine including bonds or deposits for such costs required by any governmental authority or agency;
- x) any costs or expenses incurred or to be incurred relating to the termination of the operation of the Property as a mine;
- xi) uninsured losses on the Commercial Production facilities;
- xii) all costs of maintaining in good standing or renewing from time to time the Property and Assets or any interest therein, including payment of all government royalties and taxes of any nature whatsoever in connection therewith.
- xiii) all salaries, fees, wages, bonuses, fringe benefits (whether or not required by law) and expenses of employees, agents and consultants all persons directly engaged in respect of and for the benefit of the Property, including employees, agents and consultants of Demetra as Operator, including but without limiting the foregoing the costs of:
 - a. all annual leave, medical leave and other benefits assessments and obligations customarily paid or required to be paid by law;
 - b. all workers compensation and common law insurance in connection with such salaries and wages; and
 - c. all costs of any employee life insurance medical and hospitalization insurance and such other insurances or plans carried by the company for the benefit of the employees, pro-rated for such time the employees are engaged in Programs and Feasibility Study;

- xiv) all travel and living expenses of such employees while they are away from their regular place of employment in connection with Programs and Feasibility Study;
- xv) all fees, charges costs and expenses of contractors, consultants, professional or technical advisors and engineers engaged in the connection with Programs and Feasibility Study;
- xvi) all title examination recording registration and remedial costs including costs of all legal fees and any land of other taxes in connection with the acquisition, maintenance or relinquishment of all or any portion of the Properties or any licenses or permits associated therewith;
- xvii) any and all Argentinian taxes and assessments associated with the Property apart from income taxes which are based upon or related to income derived from the sale of Mineral Products;
- xviii) all costs of material equipment and supplies purchased or used in connection with Programs and Feasibility Study including rental costs of equipment used in the Programs including transportation, maintenances and insurance for the replacement costs of the rental equipment;
- xix) all costs of setting up and incorporating in Argentina such companies as are necessary in connection with the Programs and Feasibility Study;
- xx) all insurance costs less any recovery;
- xxi) all field office charges and expenses;
- xxii) all other fees, rentals, renewal costs and assessments paid on or in connection with the Property;
- xxiii) a charge for the Operators office wherever located, overheads prorated for the number of personnel and the office costs directly employed in the Program and Feasibility Study;
- xxiv) all costs associated with doing geophysical, geochemical and geological surveys, drilling, drifting and other surface or underground work, assaying and metallurgical testing and engineering;
- xxv) developing and acquiring exploration facilities on the property and in maintaining offices on or near the Property and in Buenos Aries or such other places as the Operator deems appropriate;
- xxvi) in paying for the food, lodging and other reasonable needs of such persons and including all costs at prevailing charge out rates for any personnel or officers of Demetra as the Operator who from time to time are engaged directly in work on the Property, such rates to be in accordance with industry standards;
- xxvii) a charge in lieu of overhead and other unallocated costs equal to 5% of all Programs and Feasibility Study Program Costs incurred by Centurion directly until the Participation Date;
- xxviii) all exploration, engineering and metallurgical work necessary to complete the Programs and Feasibility Study; and
- xxix) costs and expense to maintain the Property in good standing, to prevent waste or to otherwise discharge any obligation which is imposed upon it pursuant to this Agreement or pursuant to any obligation imposed by the laws and regulations of Argentina.

SCHEDULE C
Net Revenue Royalty

For the purposes of this Schedule C, the words and phrases and definitions as set out in the Joint Venture Agreement to which this Schedule C is attached shall be incorporated by reference.

“Net Sales Revenue” means all revenues, receipts, monies, and the fair market value of in-kind consideration collected or received by the Parties from the sale of Mineral Products in any or all parts of the world, less the following permissible deductions:

- (a) trade and quantity discounts actually given to the purchasers thereof to a maximum discount of 60%;
- (b) all government taxes customs and excise, sales and value added taxes and other charges or governmental fees of every nature or kind (except for taxes on or measured by income); and
- (c) transportation and insurance charges and commissions in connection with the sale of Licensed Products.

“Royalty Date” means the date a Joint Venture Partner’s Interest has been transferred in consideration of a Net Revenue Royalty pursuant to subsection 13.3 of this Agreement.

“Royalty Payments” means royalty payments equal to two percent (2%) of all Net Sales Revenue.

“Royalty Quarter” means each calendar quarter during the term of this Agreement commencing with the calendar quarter in which the Royalty Date occurs.

“Royalty Year” means a 12 month period during the term of this Agreement, with the first Royalty Year commencing on the Royalty Date and each subsequent Royalty Year commencing on each subsequent anniversary of the Royalty Date.

1. Royalties and Statements. Within 60 days of the end of each Royalty Quarter:

- (a) The continuing Joint Venture Partner shall pay or cause to be paid to the former Joint Venture Partner, Royalty Payments on sales of Mineral Products during such Royalty Quarter; and
- (b) The continuing Joint Venture Partner shall provide the former Joint Venture Partner with a true and accurate report, giving such particulars of the business conducted by The continuing Joint Venture Partner during such Royalty Quarter as are pertinent to an accounting for any Royalty Payments or other payments hereunder, or as the former Joint Venture Partner may otherwise reasonably request, which particulars shall in any event show the calculation of the Royalty Payment owed for each country, the total Net Sales Revenue by country for that Royalty Quarter, the exchange rate used to convert any royalty amounts into United States dollars and the total Net Sales Revenue for that Royalty Quarter in all countries. If no payments are due, it shall be so reported.

2. Records. During the term of the Joint Venture Agreement and for three (3) years after the later of the termination of this Agreement and the final sale by the continuing Joint Venture Partner of Mineral Products, the continuing Joint Venture Partner shall keep complete and accurate records of the continuing Joint Venture Partner’s sales of Mineral Products in sufficient detail to enable certified public accountants engaged by the former Joint Venture Partner to determine any amounts payable to the former Joint Venture Partner under this Agreement. Upon a minimum of ten (10) days prior written notice to the continuing Joint Venture Partner, the continuing Joint Venture Partner shall permit certified public accountants engaged by the former Joint Venture Partner, at the former Joint Venture Partner’s expense

(except as provided below), to examine not more than once in any twelve-month period its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this Agreement or the accuracy of any amount payable hereunder. Should any examination conducted by the former Joint Venture Partner's accountants pursuant to the provisions of this paragraph result in an increase of more than 5% of any payment due the former Joint Venture Partner hereunder, the continuing Joint Venture Partner shall be obligated to pay reasonable out of pocket expenses incurred by the former Joint Venture Partner with respect to such examination.

3. Form of Payment; Taxes. All amounts payable to the former Joint Venture Partner hereunder shall be payable in U.S. dollars, or as otherwise designated by the former Joint Venture Partner, without further deductions for taxes, assessments, fees, or charges of any kind. All currency other than U.S. dollars received, paid or invoiced during a Royalty Quarter in respect of which payments to the former Joint Venture Partner are required to be made under this Agreement, shall be converted to U.S. dollars using an exchange rate equal to the average of the noon rates of exchange for the conversion of such currency into United States dollars as reported by the United States Federal Reserve Bank of New York on the last Friday of each month in such Royalty Quarter, or such other exchange rate as the parties may agree upon. The continuing Joint Venture Partner shall be responsible for the payment of all withholding taxes imposed by any country on any royalty or other payment payable to the former Joint Venture Partner hereunder and the percentage or other amounts payable to the former Joint Venture Partner hereunder shall not be reduced to reflect the payment of any such withholding tax. All amounts payable to the former Joint Venture Partner hereunder shall be payable in Vancouver, BC or at such other place as the former Joint Venture Partner may reasonably designate, provided, however, that if any foreign jurisdiction, by law or otherwise, prevents any payment hereunder, the former Joint Venture Partner agrees to accept such royalty in form and place as permitted, including deposits in the applicable foreign currency in a local bank or banks in such country designated by the continuing Joint Venture Partner.

SCHEDULE D
Founders' Preference Shares

1. List of Founders

Name:	# of Preference Shares
Gregg Jensen	442,500
Janet Jensen	2,932,500
Sebastian Cattaneo	3,375,000
Fernando Bacot	2,700,000
Jeremy Wright	<u>1,000,000</u>
Total	10,450,000

2. Special Rights & Restrictions Attaching to Centurion Preferred Shares

For the purposes of this Schedule D, the words and phrases and definitions as set out in the Joint Venture Agreement to which this Schedule D is attached shall be incorporated by reference. At the time the Special Rights and Restrictions are attached to the Centurion Preferred Shares, changes may be made to the wording in order to create a 'stand alone' document to be attached to Centurion's Articles, provided however that no material changes shall be made without the written consent of the Joint Venture Partners.

SPECIAL RIGHTS & RESTRICTIONS
PREFERRED SHARES

(A) **GENERAL**

The Company's preferred shares (the "**Preferred Shares**") are convertible into common shares of the Company (the "**Common Shares**") as described below. Except as provided for pursuant to the *Business Corporations Act*, the holders of the Preferred Shares will not as such be entitled to receive notice of, attend or vote at any general meetings of the shareholders of the Company.

(B) **VOTING RIGHTS**

Except meetings at which holders of the Preferred Shares are entitled under the *Business Corporations Act* to vote separately as a class or series, the holders of Preferred Shares shall have no voting rights and shall not be entitled to receive notice of, or to attend, any meeting of the shareholders of the Company.

(C) **DIVIDENDS**

The holders of Preferred Shares shall not be entitled to receive any dividends out of monies of the Company properly applicable to the payment of dividends.

(D) **CONVERSION ON ATTAINMENT OF MILESTONES**

Each Preferred Share will be automatically converted into one Common Share, on a pro rata basis among the holders of the Preferred Shares, upon the Company attaining certain performance milestones (collectively, the "**Milestones**"), as follows:

- (1) an aggregate of 2,612,500 Preferred Shares will be converted into an aggregate of 2,612,500 Common Shares upon the Company achieving **Commercial Production**;

- (2) an aggregate of 2,612,500 Preferred Shares will be converted into an aggregate of 2,612,500 Common Shares upon the Company generating total revenues of at least \$5,000,000 in accordance with International Financial Reporting Standards (“**IFRS**”);
- (3) an aggregate of 2,612,500 Preferred Shares will be converted into an aggregate of 2,612,500 Common Shares upon the Company generating total revenues of at least \$10,000,000 (which for greater certainty, includes the revenues referenced in Article D(2)) in accordance with IFRS;
- (4) an aggregate of 2,612,500 Preferred Shares will be converted into an aggregate of 2,612,500 Common Shares upon the Company generating total revenues of at least \$20,000,000 (which for greater certainty includes the revenues referenced in Articles D(2) and (3)) in accordance with IFRS;

(E) **CONVERSION PROCEDURE**

Effective as of any conversion of Preferred Shares, the Company shall issue to the holder of such Preferred Shares a certificate representing duly issued, fully paid and non-assessable Common Shares, on the basis of one Common Share for each one converted Preferred Share.

(F) **CAPITAL ALTERATION**

In the event that the Common Shares are at any time subdivided or consolidated into a greater or lesser number of Common Shares, the number of the then issued and outstanding Preferred Shares shall be proportionately increased or reduced so as to preserve in all respects the benefits hereby conferred on the holders of the Preferred Shares, including the issuance of a proportionate number of Common Shares to such holders of Preferred Shares upon the conversion of the Preferred Shares.

(G) **CAPITAL REORGANIZATION**

- (1) If and whenever there is a reorganization of the Company, a reclassification, redesignation or recapitalization of its securities, or a consolidation, merger or amalgamation of the Company with or into another body corporate, including a transaction whereby all or substantially all of the undertaking and assets of the Company become property of any other company (any such event being herein called a “**Capital Reorganization**”), a holder of a Preferred Share that has not been converted before the effective date of the Capital Reorganization will be entitled to receive and will accept, on a conversion of the Preferred Shares at any time after the effective time of the Capital Reorganization, in lieu of the share consideration which the holder would otherwise have been entitled to on conversion of the Preferred Shares:
 - (a) such shares, warrants, or other securities or property of the Company, or of such continuing, successor or purchasing company, as the case may be, and such cash, as the holder would have been entitled to receive as a result of the Capital Reorganization if at the time of the Capital Reorganization the holder had held the number of Common Shares to which the holder would have been entitled to receive on conversion of the Preferred Shares if the Capital Reorganization had not occurred; and
 - (b) such other cash, property and securities that the holder of the Preferred Shares would have been entitled to receive as a holder of record of Common Shares, including payments by way of dividends and other corporate distributions, reductions of capital and proceeds of redemption, if the holder had held each such security from the time of the Capital Reorganization until the exchange or the earlier redemption of the security.

- (2) No Capital Reorganization will be carried into effect unless all necessary steps have been taken so that the holders of the Preferred Shares that have not been converted will thereafter be entitled to receive such shares, warrants, other securities, property and cash to which they are entitled.

(H) **AUTOMATIC CANCELLATION**

In the event that any of the Milestones have not been attained by the date that is seven (7) years from the Issuance Date, any Preferred Shares then outstanding will be cancelled, with no consideration payable by the Company to the holders of the Preferred Shares.

(I) **DISSOLUTION OR WINDING UP OF THE COMPANY**

The holders of Preferred Shares will not be entitled to participate, on a pro rata basis with holders of Common Shares, in any distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company, or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

(J) **NON-TRANSFERABLE**

The Preferred Shares shall be non-transferable, except transmission upon death.

(K) **NO FRACTIONAL SHARES**

Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of Preferred Shares, and the number of Common Shares to be issued will be rounded down to the nearest whole share if the fractional number to be received is less than 0.5 or rounded up to the nearest whole share if the fractional number to be received is 0.5 or higher.

(L) **RESERVATION OF SHARES ISSUABLE UPON CONVERSION**

The Company shall at all times reserve and keep available out of the authorized but unissued Common Shares a sufficient number of Common Shares and such other shares, securities and property, as the case may be, to effect the conversion of all outstanding Preferred Shares into Common Shares, and the Company will take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

SCHEDULE E
Demetra's Subsidiaries

Demetra owns and controls 100% of the issued and outstanding shares in the following companies:

Demetra Holdings Inc.
Demetra International Inc.
Richards & Hastings Capital Markets Consulting Inc.

Demetra Holdings Inc. and Demetra International Inc. each owns and controls 50% of the issued and outstanding shares of Demetra SA.

SCHEDULE F
Amalgamation Notice

TO:

AND TO:

FROM:

DATE:

RE: Joint Venture Agreement between Centurion Minerals Ltd. (“Centurion”), Demetra Minerals Inc. (“Demetra”) and Demetra Fertilizantes S.A. (“Demtra”) with respect to the Ana Sofia Property (“Joint Venture Agreement”)

TAKE NOTICE THAT pursuant to section 6.4 of the Joint Venture Agreement, _____ has elected to exercise its option to commence an amalgamation effective immediately.

Pursuant to this Amalgamation Notice, you are hereby requested to initiate an amalgamation as contemplated in section 6 of the Joint Venture Agreement.

Dated this ____ day of _____, 20__.

[COMPANY NAME]

Per:

Authorized Signatory